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What does our successful low fares formula, and disciplined growth deliver in terms of financial results?

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Our Track Record - 2001

- Original and Largest Low Fares Airline
 - 45 Routes, 11 countries, 7.25 million pax in FY 2001
- 16th year of safe operations
- Lowest fares, lowest cost base
- Major operating costs falling
- High margins, high growth rate (25% pa)
- Leading the electronic airline revolution
- The "Ryanair" formula continues to deliver

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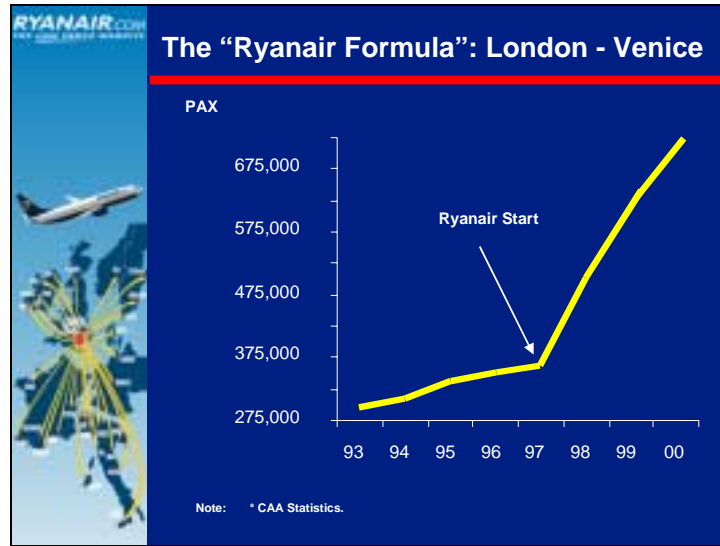
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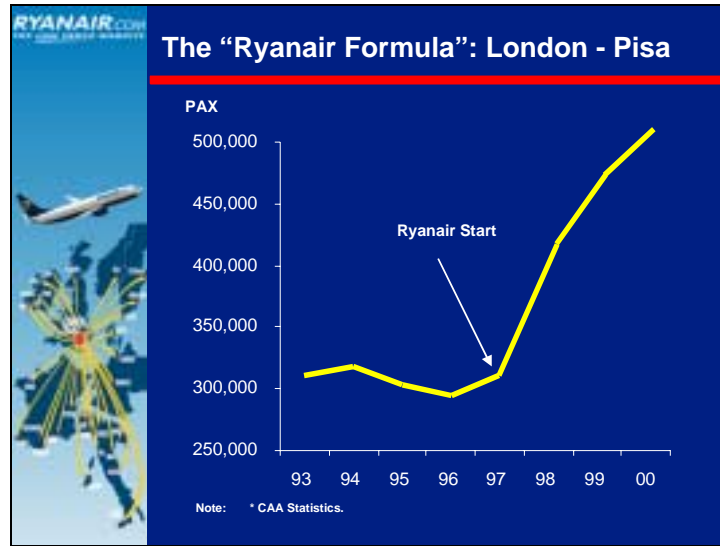
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The Ryanair effect is our ability to enter a market, undercut the existing carriers fares by up to 70%, stimulate massive traffic growth and capture a significant market share by carrying much, if not all, of that traffic growth.

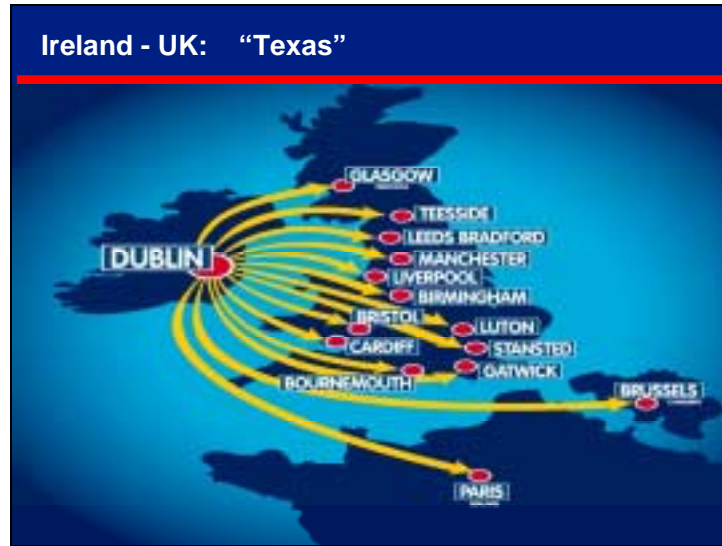
This is Dublin-London a market that was stagnant for 10 years from 1975 to 1985, when it was served by the flag carrier duopoly of British Airways and Aer Lingus. Ryanair entered the market in 1985 reducing the then existing air fares by some 50% and in the 12 subsequent years, traffic has quadrupled to over 4m. passengers making Dublin-London the busiest international route in the world. Ryanair by delivering most of this growth has moved from nowhere to being the No.1 carrier in this market. **[Move slide]**

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We haven't confined our growth in recent years to just Dublin-London.

In recent years we have successfully rolled out the Ryanair effect throughout the Ireland-UK market.

As a result Ryanair is the No.1 airline in this market. We fly to more destinations, we offer more frequency, we carry more passengers and we offer lower fares than anybody else.

We dominate this market in exactly the same way that Southwest airlines established a dominant platform in Texas. As we grow in Europe this home market base will continue to deliver a substantial proportion of our profits, our traffic and our cash.

However looking at that map as you can see there are limited further growth opportunities and therefore [move slide] for the last two years we have been growing by rolling our successful low fares formula from the UK to Europe.



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Brussels to:	One way Fare		%
	Ryanair	Sabena	
London	BEF 990	BEF 3,490	72%
Glasgow	BEF 1,990	BEF 14,476	86%
Shannon	BEF 1,990	BEF 22,910	93%
Dublin	BEF 1,990	BEF 21,083	91%
Carcassonne	BEF 2,490	BEF 23,906	89%
Pisa	BEF 2,490	BEF 26,286	90%
Venice	BEF 2,490	BEF 24,673	90%

What does this mean? Firstly it means being consistently profitable. Southwest has a 24 year unbroken record, whilst Ryanair has been profitable for nine years - in marked contrast to all the other low fares carriers in Europe.

We're profitable because we operate a single aircraft fleet type, all 737's with high daily utilization.

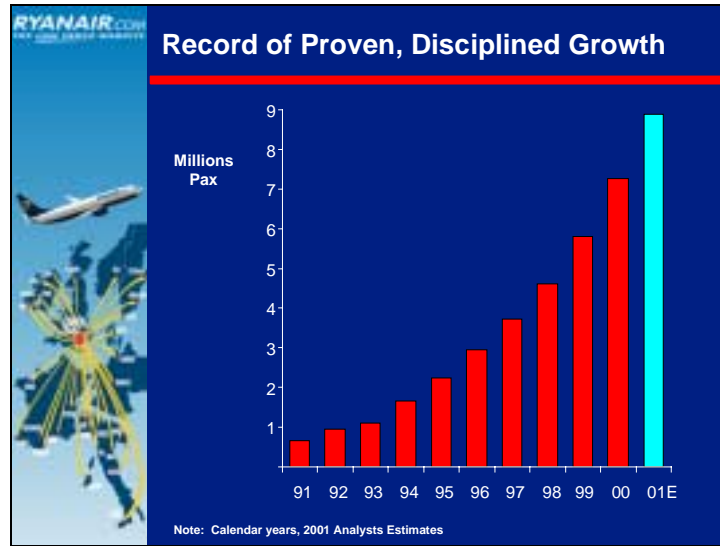
We operate to secondary airports which are uncongested and low cost, and perfect for point to point business and leisure traffic.

We offer a no frills service, there are no free meals, no business class, no free newspapers, we ask you to pay for drinks which means we have a profit centre where most other have costs.

Like Southwest we are the No.1 or No.2 carrier in every mature market which gives us significant competitive strength and maintains our low cost base.

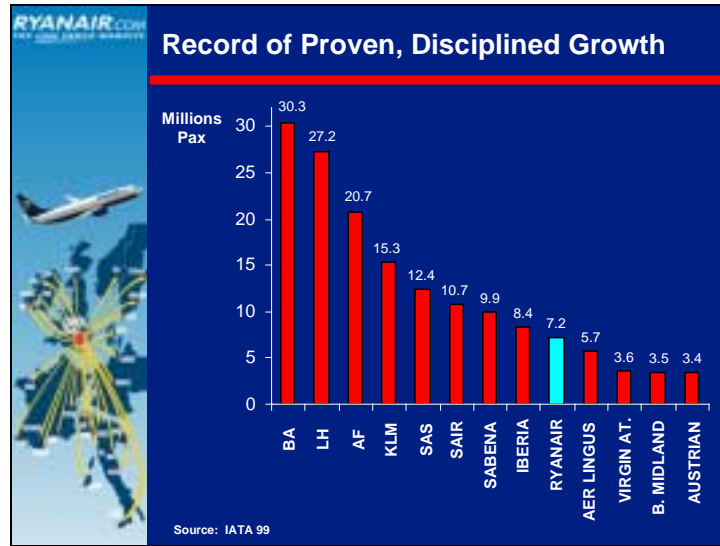
We then use this combination of low costs, and unbeatable low fares to roll out "the Ryanair effect". **[Move slide]**

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We have grown our traffic and revenues over the last 8 years at a compound annual rate of 33%. We aim to grow from this higher base over the next five years by 25% compound per annum.

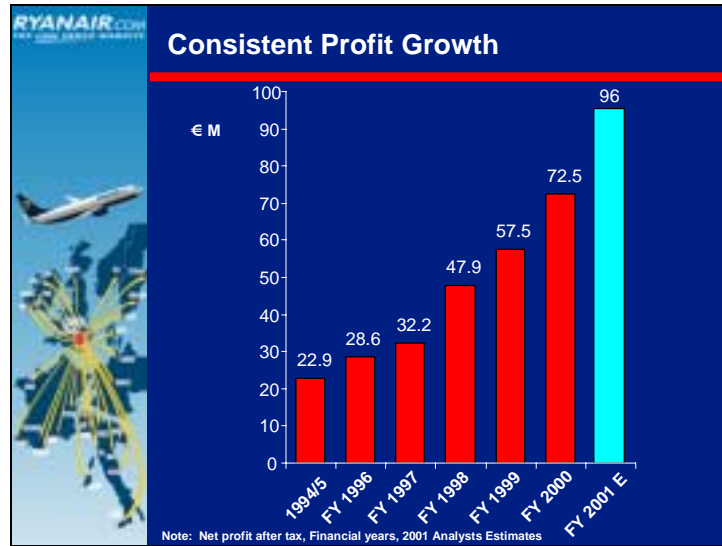
This disciplined rate of growth guarantees (as best one can) two things. Firstly that our growth will continue to be safe and secondly [**move slide**] that our growth will continue to be profitable.



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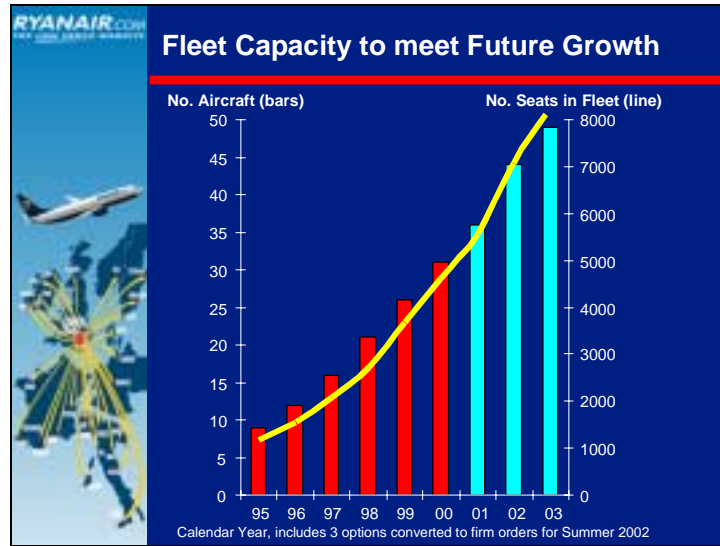
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It is our record of profitability that makes Ryanair stand out from both our flag carrier competitors and in particular from other low fare carriers in Europe, almost all of whom are loss making. We have an unmatched record of nine years of unbroken and increasing profitability.

The compound annual growth of our profitability in the last 5 years has been 33% so as we expand rapidly we are growing not just the traffic but also the profitability of the airline. **[move slide]**



Can we continue this growth? We need two things, airports and aircraft.

Presently we are in negotiation with 20 more airports around Europe, and have deals, ready to be concluded with more than 10 as and when we require them.

Secondly, we need additional capacity. This has been secured by our 737-800 aircraft deliveries for the next 5 years.

These will enable us to maintain our disciplined approach to growth by adding 5 new aircraft each year. We expect to be opening up 4 to 5 new routes each year whilst also adding capacity to existing routes where we enjoy unsatisfied demand for our low fares.

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What does our successful low fares formula, and disciplined growth deliver in terms of financial results?



	31/12/1999	31/12/2000	Change
Passenger Numbers	1.4 m	1.9 m	+33%
Load Factor	64 %	70 %	
Average Fare	€59.11	€53.01	-10%
Net Margin	18 %	19 %	

The answer is the unmatched profitability, both in terms of margins and growth.

In fact most of our major quoted competitors including BA, Lufthansa, SAS and KLM have all reported significant profit reductions for a year during which Ryanair, competing directly with them, increased profits by 20%.

In the financial year just ended our operating revenues rose in line with traffic up 28%. Our EBITDAR increased by 19%, slightly lagging operating revenues due to new route development costs, and our very conservative maintenance accounting policies.

Nevertheless profit after tax rose by 20% in a year of significant growth. Earnings per share has risen by 11% reflecting the increase in shares following last years London listing.

I know of no other airline, which is doubling in size every three years, and yet is delivering profit growth in line with its expansion.



Financial Results - Third Quarter			
€ Ms (Irish GAAP)	31/12/1999	31/12/2000	Change
Passenger Numbers	1.4 m	1.9 m	+39%
Revenues	89.6 m	114.9 m	+28%
EBITDAR	30.0 m	40.1 m	+34%
Profit after Tax *	15.0 m	21.3 m	+41%
EPS *	4.48 c	6.08 c	+36%

(* Adjusted for non-recurring items, Equant sale
Part dilutionary effect of March 2000 Secondary)


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Consistent Margins					
(Irish GAAP)	97	98	99	00	01 9 months
Net Margin	19%	21%	19%	20%	22%
EBITDAR	38%	40%	37%	36%	39%
Cash Earnings **	26%	31%	32%	31%	33%

** Cash Earnings defined as Net Income plus Depreciation and Amortisation

The facts however show that we have been maintaining these high margins in a very stable manner, despite the fact that over the past three years we have opened up over 20 new routes, competed with all of Europe's strongest airlines, and doubled the size of this airline.

Our net margins continue to be stable at 20%. Our cash earnings are in fact rising year on year, now standing at 32% plus.

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(Irish GAAP)	Mar 00 €M	Dec 00 €M
✈ Aircraft (incl Deposits)	357.5	568.9
Cash	<u>355.2</u>	<u>432.2</u>
Total	<u>712.7</u>	<u>1,001.1</u>
✈ Liabilities	149.3	161.4
Debt	122.0	312.8
Shareholders Funds	<u>441.4</u>	<u>526.9</u>
Total	<u>712.7</u>	<u>1,001.1</u>

As you can see we have almost zero debt, despite having purchased 22 aircraft in the last 5 years.

In the last 12 months despite having funded £50m in aircraft deposits, our free cash has more than doubled to £124m.

I am not aware of any other airline that has more than 50% of its annual turnover sitting in free cash on the year end balance sheet. **[Move to slide 16].**

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What does our successful low fares formula, and disciplined growth deliver in terms of financial results?



Ladies and gentlemen in summary Ryanair offers you a unique investment opportunity. We are the lowest cost operator of any airline, anywhere in Europe.

We are not a start-up airline. We have 15 years of safe operations and a very disciplined growth strategy.

It is this discipline that enables us to roll out our proven and successful low fare formula. Its success can be demonstrated by the fact that we have an established track record of profitability, with high and stable margins, our operating costs are falling, so we will generate strong cashflows and enhance enjoy outstanding balance sheet strength. Lastly and most importantly of all from an investment point of view, we have the airports and the fleet in place to continue to maintain this growth for the next couple of years. Ladies and Gentlemen, this will be the last opportunity for the foreseeable future to acquire any stock, in reasonable quantity, in Europe's largest, fastest growing, most profitable airline - so if you want a disciplined, long-term, growth stock, get your order in now whilst stocks last!!!



RYANAIR.COM
FLY LOW. SMART. HAPPY.

Rapid Growth - Unusually High Profitability

- 🏆 Growth of 25% per annum
 - ✔️ deliberate, even paced expansion strategy
 - ✔️ delivers safety and profitability
 - ✔️ 6 new routes this year
 - ✔️ one new European base
 - ✔️ increased frequency on existing routes
 - ✔️ larger aircraft
 - ✔️ abundance of new route opportunities

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	130 Seat 737 - 200	189 Seat 737 - 800	Total Fleet	Seats in Fleet
FY 1999	21	0	21	2,730
FY 2000	21	5	26	3,675
FY 2001	21	10	31	4,420
FY 2002	21	15	36	5,565
FY 2003	21	23	44	7,077
FY 2004	21	28	49	8,022

+ 82%

Clearly there is a huge market potential. Presently the low fare airlines are carrying less than half of 1% of Europe's total traffic, whereas in the U.S. low fare airlines have a 9% market share.

We are looking at potential twenty fold growth over the next 5 to 10 years and Ryanair will continue to be - by some distance - the leader in this market revolution.

Ryanair has both the airports, and the fleet in place to maintain this growth. The growth will be delivered by increasing frequency and/or capacity on existing routes, and by continuing to open up new routes. We have further growth opportunities at airports who desperately want us to establish our third European base there.

Most of our competitors in Europe are rushing headlong into alliances, concentrating their operations at expensive, inefficient hub airports which will increase their costs and air fares. This was the way the majors developed in the 1980's and 1990's, which made Southwest and now Ryanair in Europe a more attractive proposition for the low fare, point to point traffic.

As a result of this growth Ladies and Gentleman, Ryanair will continue to dominate Europe's low fares market.



Rapid Growth - Ancillary Revenues Rising

- ✦ Charters - continues to perform strongly
- ✦ Inflight sales - new products, better € per pax
- ✦ Ryanair.com has grown hotels by 100%
- ✦ Hertz - .com trebles number of potential buyers
- ✦ Travel insurance - trebles target market
- ✦ Revenue streams only, no cost
- ✦ all retained for airline & shareholders

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Rapid Growth - Operating Costs Falling

- Unit Costs are lowest in Europe
 - 21 x 200's go ex-depreciation - zero cost
 - 737 - 800's lower operating and maintenance costs
 - finance costs below 5%
 - fuel hedged
 - travel agent sales under 10% - lower distrib costs
 - internet sales 60% plus - lower S&M costs
 - 5 year pay agreements with pilots & inflight
 - tax rate falling

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Ryanair - Summary

- ♥ Original and largest low fares airline in Europe
- ♥ Proven, successful, disciplined formula
- ♥ Track record of safety, growth and profitability
- ♥ Lower fares, better punctuality
- ♥ Airports and fleet in place to continue growth
- ♥ Competitors in trouble (fuel & airport costs rising)
- ♥ Internet initiative reduces costs, enhances growth
- ♥ Outstanding shareholder returns

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